

## **Hospice care in Medicare: Recent trends and a review of the issues**

**ISSUE:** Use of the hospice benefit by Medicare beneficiaries has grown rapidly, and now represents a meaningful share of total Medicare outlays. Congress and the Secretary may want to consider ways to improve this program. Research and previous Commission recommendations have suggested mechanisms for refining the current payment system and monitoring quality. In this chapter, we review this work and examine ways to track both the quality and scope of services provided to beneficiaries in hospice care.

### **KEY POINTS:**

During this meeting, we will provide data on recent trends in use of the hospice benefit and review the key policy issues:

- With the growth in hospice use, Medicare spending on hospice care has increased significantly over the last several years.
- Hospice agencies have grown in number and in size. Not-for-profit facilities remain the largest share of the industry, but for-profit facilities have seen the most rapid growth.
- Hospice enrollment is higher among beneficiaries in managed care than among those in traditional Medicare. Several factors may be affecting these differing rates.
- Considerable growth in hospice use is seen among beneficiaries with non-cancer diagnoses, among the oldest Medicare beneficiaries, and among those who reside in nursing homes.
- Average length of stay in the hospice benefit has grown, but more than 25% of stays continue to be shorter than one week.
- MedPAC made several recommendations in previous reports to improve the payment system for hospice, including developing a case mix measure. Other refinements may be useful to match payments with costs.
- MedPAC also has called for development and use of quality measures for hospice.

**ACTION:** Commissioners should comment on the draft of the chapter for the June report.

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